

Summary of Testimony of Kim M. Boyle
Chair, Louisiana Recovery Authority Health Care Committee
House Committee on Energy and Commerce
Subcommittee on Oversight and Investigations
August 1, 2007

Together, Hurricanes Katrina and Rita—and the failure of the federal levee system which flooded an area nine times the size of Washington, DC—caused an estimated \$100 billion in damages to homes, property, businesses and infrastructure *in Louisiana alone*. Federal investments in Louisiana's recovery have been generous and crucial, but they regrettably leave considerable needs unfunded. Much of the federal aid has been delayed in coming and not equitably divided among states, a story that holds true when it comes to the pace and balance of federal funding for restoring essential health care services.

As a result, there are still several pressing issues to address in restoring a sustainable health care system in the New Orleans region.

In the long run, the planned joint Medical Center of Louisiana (MCLNO) and Veterans Affairs (VA) medical center in downtown New Orleans is critical to the sustainability of our health care system, and to community recovery overall. Building the VA hospital in downtown New Orleans is *the best option* for the people of our city and surrounding region, for a number of reasons:

- The facilities will offer the full continuum of high-quality health care in an accessible location for all;
- The medical centers will anchor the region's health professions education, with some programs dependent on the VA remaining downtown to stay in New Orleans; and
- The long-term economic diversity of the New Orleans region will greatly benefit from the MCLNO and VA facilities serving as the clinical cornerstone of the emerging downtown biomedical district.

Furthermore, critiques of the downtown site selected for MCLNO-VA do not hold up under reasonable analysis, making the partnership an obvious choice for VA Secretary Nicholson. Support for the downtown MCLNO-VA joint venture is consistent and deep among the pertinent leadership and a broad range of stakeholders, including Governor Blanco, legislative leadership, the Louisiana Secretary of Veterans Affairs and the American Legion. I respectfully urge Secretary Nicholson's immediate recommitment to the MCLNO-VA endeavor downtown.

MCLNO-VA is not a short-term cure, however. We need the help of Congress to address the immediate barriers that plague attempts to restore health services in the region:

- To meaningfully improve health care access for patients of any payer source and improve the financial stability of recovering providers, the state needs additional funding for the Greater New Orleans Health Services Corps or a similar endeavor that immediately places critical workforce resources in the region.
- The medical schools and hospitals assisting residency programs after Katrina and Rita need action by this Congress to gain financial relief through an extended exemption from the traditional three-year rolling average.

- The state needs flexibility to use DSH payments for non-hospital and physician services to the uninsured, to ensure the sustainability of recovering primary care networks.

**WRITTEN TESTIMONY OF KIM M. BOYLE,
CHAIR
OF THE
LOUISIANA RECOVERY AUTHORITY
HEALTH CARE COMMITTEE
BEFORE THE
U.S. HOUSE OF REPRESENTATIVES COMMITTEE ON
ENERGY AND COMMERCE
SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS
AUGUST 1, 2007**

Chairman Stupak, Ranking Member Whitfield, Members of the Subcommittee, thank you for inviting me to testify today. My name is Kim Boyle and it has been my honor and privilege to serve as a volunteer member of the Board of Directors of the Louisiana Recovery Authority (LRA) and as chair of the LRA Health Care Committee.

Since its creation by Governor Kathleen Blanco in October 2005, the LRA has focused on developing policies and strategies for recovery, securing public and private resources, leading long-term regional and community planning initiatives, and providing transparency and oversight on the expenditure of recovery dollars, including federal Community Development Block Grant and Social Services Block Grant funds. We do not run any programs at the LRA; our job is to recommend expenditure allocations to the Governor and the Louisiana Legislature and to set broad policy guidelines for the programs they approve.

I am speaking to you today as a life-long resident of New Orleans and as a representative of the LRA. I thank you for the opportunity to bring your attention to the most pressing issues to address as we all work to build a sustainable health care system in the New Orleans region:

- First, I want to make clear the monumental importance of the planned joint Medical Center of Louisiana (MCLNO) and Veterans Affairs (VA) medical center in downtown New Orleans to the sustainability of our health care system, and to community recovery overall;
- Second, we need your help to address the immediate barriers that continue to plague the comprehensive restoration of health care services in the New Orleans region.

Before I begin, I want to express our sincere gratitude to Congress and the American people for their extreme generosity after the storms of 2005. I would like to personally thank you and the members of your subcommittee for your persistent support of Louisiana's recovery, especially the members and staff of the subcommittee who have traveled to Louisiana to witness the scale and magnitude of this catastrophe first hand.

Hurricane Katrina was by far the single most devastating and expensive disaster in American history. The storm that hit Louisiana three weeks later—Hurricane Rita—ranks third on the all-time list. Together, the storms—and the failure of the federal levee system which flooded an area nine times the size of Washington, DC—caused an estimated \$100 billion in damages to homes, property, businesses and infrastructure *in Louisiana alone*. Katrina and Rita claimed the lives of nearly 1,500 Louisiana citizens, initially displaced more than 1.3 million more, and

destroyed more than 200,000 of their homes. More than 64,000 Louisiana families continue to reside in FEMA transitional housing.

Federal investments in Louisiana's recovery have been generous and crucial, but they regrettably leave considerable needs unfunded. Let me explain why. About \$40 billion of the \$100 billion losses are covered by private hazard and flood insurance. We also recognize and are sincerely thankful for the estimated \$26 billion that has been allocated to the State to help us rebuild our homes and physical infrastructure. Nevertheless, there is a huge and obvious \$34 billion gap in funding that is absolutely necessary to rebuild south Louisiana.

Some have asked how this is possible, given the federal commitments to the Gulf Coast that tally nearly \$110 billion for disaster relief and recovery. Understand that this was spread out over five of the Gulf States, in response to the three major storms that devastated the Gulf Coast in 2005.¹

While not all of this has been obligated, we estimate just over \$60 billion in federal recovery funds have been committed to Louisiana. Of the \$60 billion that has been committed to Louisiana, more than half of this was used to fund immediate disaster relief services such as FEMA individual assistance to victims, SBA loans and grants, and insurance payments made to policyholders who have paid premiums into the National Flood Insurance Program for the duration of their residency.

¹ This includes Alabama, Florida, Louisiana, Mississippi and Texas which were impacted by hurricanes Katrina, Rita and/ or Wilma.

This leaves approximately \$26.4 billion that is available to Louisiana for rebuilding critical services and infrastructure, far short of our needs in such an unprecedented catastrophe.

Compounding the problems created by the insufficiency of federal assistance, much of the federal aid has unfortunately been delayed in coming and not equitably divided among states.

This has been the case from the very first rebuilding assistance legislation passed by the 109th Congress, which unfairly capped Louisiana's allocation at 54% of the total CDBG appropriation. Congress essentially passed a law forbidding HUD from allocating resources equitably based on damages, and the same disproportions have persisted in other federal recovery assistance. The inequities are obvious: Louisiana suffered 77% of all housing damage from the 2005 storms—Katrina, Rita, and Wilma. Compared to Mississippi, Louisiana had four times the housing damage, seven times more citizens displaced, seven times more university students displaced, five times more damage to electric utilities, three times the number of K- 12 schools destroyed, five times the number of hospitals destroyed, nearly ten times the number of businesses lost, and five times the decrease in employment. And the vast majority of our damage was caused by the catastrophic failure of federal levees that had been built and certified as being adequate to protect us by the Army Corps of Engineers.

The damage to the state's health care system was equally severe, and the story is not different when it comes to the pace and balance of federal funding for restoring essential health care services.

In Louisiana alone, Hurricanes Katrina and Rita initially closed thirty hospitals; the doors to seven hospitals remain shut, including five in New Orleans. A recent study reported in the American Medical Association's journal *Disaster Medicine and Public Health Preparedness* finds that about one-fourth of the physicians who left the Gulf Coast after Katrina had not returned six months later. The most concentrated disruption of the health care system occurred in the Greater New Orleans region, and the disruption continues today.

To be sure, the health care system's speedy, comprehensive, sustainable recovery is critical to the future of the city and all of South Louisiana. Uncertainty about health care access has slowed the recovery, undermining public confidence about returning home. Business owners will not bring investments and employees to a city without available health care services.

The question today is what we can and should cumulatively do to get the full continuum of care back on its feet.

I want to first address an issue that I am very passionate about—plans for a joint Medical Center of Louisiana – New Orleans (MCLNO) and Department of Veterans Affairs (VA) medical center. Let me be very clear—the joint venture between the state and the VA represents a recovery project that has no peer. Building the VA hospital in downtown New Orleans is *the best option* for the people of our city and surrounding region. Let me tell you why.

The joint medical centers are necessary to serve as the home to three critical elements of community recovery, and the benefits of their co-location are innumerable. First, and most

importantly, the joint facilities will serve as a critical provider of high-quality primary and specialty health care. MCLNO will also offer the region's only Level 1 trauma center, and will be home to inpatient psychiatric care accessible by veterans.

Accessibility is no small matter in weighing the options for placement of the VA hospital. Many of the region's residents and veterans depend on public transportation to reach medical services. As a member of the LRA and as a New Orleans resident, where I grew up and continue to live, I am very concerned that relocating the VA to another parish would negatively impact many residents, including veterans, who do not have the means to travel to other areas for treatment. The consolidation of the complete array of medical services in a centrally located area will enable access by residents of diverse means to services uniquely provided by the downtown medical centers. I am also concerned that relocating the VA could be destructive to the quality of care and diversity of treatments available at each institution by eliminating the sharing of LSU, Tulane and VA physicians that was so prevalent before Katrina.

Second, the medical centers will anchor the region's health professions education, including the LSU and Tulane medical schools and graduate medical education programs dependent on shared clinical space in MCLNO and the VA. Also benefiting from the collection of training assets in the downtown biomedical corridor will be the region's allied health and nursing training programs, which will be vital to addressing the workforce shortages that are proving to be the leading barrier to the recovery and improvement of health care delivery across Louisiana. Again, should the VA choose to relocate, the impact on medical education and the city would be

devastating, undermining the clinical capacity downtown and potentially driving the medical schools or GME programs away for good.

Third, the long-term economic diversity of the New Orleans region will greatly benefit from the MCLNO and VA facilities serving as the clinical cornerstone of the emerging downtown biomedical district. Legislatively created, the biomedical corridor will be the target of increasing public and private investment generating high-quality jobs in medical services and health sciences research and development. The Regional Planning Commission is currently overseeing a long-term land-use management plan for the district, and the state's commitment to enhancing the initiative already includes the development of a 60,000 square foot biomedical research incubator and an \$86 million Louisiana Cancer Research Center. The cancer center will be located adjacent to the new proposed joint hospitals and will serve as the platform for pursuit of National Cancer Institute designation through coordinated cancer research and treatment programs that will serve all of the region's patients, including veterans. In short, the health sciences have a great future in downtown New Orleans, and veterans stand to benefit greatly from the activity.

Furthermore, as a recovery authority, we have spent considerable time evaluating the important factors that will make Louisiana a smarter and stronger place to live. Lesson number one that we have learned in working to improve on the economic and social fabric of a landscape destroyed in the 2005 storms is that you must replace what was there before as a platform for expansion. In short, the biomedical corridor cannot afford to lose the VA as a cornerstone of other pending investments or that area of downtown will be worse off than it was before Katrina and Rita.

I also want to address two criticisms that have been frequently leveled against the downtown site for the medical centers.

First, many have questioned the wisdom of building a new hospital in an area that sustained heavy flooding when the federal levees broke. My response is simple—it is no secret that the Greater New Orleans region, which includes Jefferson Parish, is at risk of flooding in the right kind of disaster, absent appropriate levee and coastal restoration protection. As the Army Corps of Engineers reminds us locally, we have the ability and the technology to mitigate that risk in a cost-effective and reasonable way. LSU, Tulane and VA officials can tell you in great detail that their ongoing planning efforts have taken future risk into account, placing all essential services out of harm's way, allowing for continual patient care and swift clean-up should, God forbid, our city ever be subjected to another nightmare like Katrina.

Second, some assert that building on the downtown site will unnecessarily delay the opening of the new VA medical center because the land is not yet owned free and clear by the state. From the information I've been given by the VA about the hospital design process, I do not believe this assertion holds true. The VA has said in prior Congressional testimony that the design process for any site it selects will likely run 18 months before groundbreaking can take place. State officials have already initiated land acquisition for the targeted downtown site using state general funds and have assured me that the site will be ready for construction before the end of that design process. I am confident that there is no unique delay in the timeline for opening the VA hospital downtown.

For all of the reasons I have listed, support for building a new teaching hospital in downtown New Orleans in partnership with the VA is strong, deep, and diverse. On any project of this size and importance, it is an unrealistic, and frankly, an impossible goal to expect 100% concurrence about where it should be built. What matters is that the pertinent leadership and a broad range of stakeholders agree on what is best.

The LRA, Governor Blanco, and the Louisiana Legislature have been consistent in their cumulative support for building a new MCLNO with the VA downtown. For the LRA, that commitment was clear during our negotiations for funding with Federal Coordinator for Gulf Coast Recovery Donald Powell, when \$300 million in CDBG funds was set aside for the new hospital. When the Department of Housing and Urban Development tied up in red tape the state's proposal to use that \$300 million for the hospital, putting the state's partnership with the VA in jeopardy, Governor Blanco and the legislature immediately made good on the state commitment to the project by appropriating two sources of state funding for the land acquisition and construction of the joint facilities:

- \$74.5 million in cash for immediate land purchase and facility design, and
- \$226 million in additional borrowing authority when needed for construction.

Support for the MCLNO-VA partnership does not stop with policymakers in Baton Rouge. A diverse set of community leaders have vocally expressed support for the project, including:

- American Legion;
- Secretary of the Louisiana Department of Veterans Affairs;
- New Orleans Regional Planning Commission, which consists of the chief executives of Orleans, Jefferson, St. Bernard, Plaquemines and St. Tammany parishes, who unanimously passed a resolution endorsing the downtown site for the VA;
- New Orleans Downtown Development District;
- New Orleans Mayor C. Ray Nagin;
- New Orleans City Council;
- New Orleans Chamber of Commerce;
- Baptist Community Ministries, operators of clinics and hospitals throughout the region;

Last week, many of these stakeholders restated their support in a single co-signed letter to Secretary Nicholson, including Dr. Norman Francis, president of Xavier University and chairman of the LRA. I have attached that letter and several supporting documents from these stakeholders as exhibits to my testimony.

Support for the MCLNO-VA project does not stop with the pertinent state and community leadership; the citizens of South Louisiana have also independently identified the joint medical centers as critical to recovery, prioritizing the initiative in the two most prominent long-term planning initiatives organized by the LRA:

- The Unified New Orleans Plan is the city's comprehensive guide to high priority recovery programs and projects to repair and rebuild the city over the next decade.

Created and revised through several rounds of neighborhood-level public forums, the plan identifies 91 programs or projects that promote the city's recovery; the downtown medical center and the restoration of affordable housing stock are the only two given perfect scores based on their value to recovery and breadth of impact on the region.

- The Louisiana Speaks regional plan, built on a platform of unprecedented public input derived from community forums, modeling charrettes and public opinion surveys, provides the priority projects and guidelines for rebuilding South Louisiana in a safer, smarter, more sustainable way. Louisiana Speaks identifies the MCLNO-VA project as one of its top priorities for bringing both world-class medical care and diverse economic opportunity to the region.

I want to finally respectfully urge Secretary Nicholson and his staff to heed a lesson that has become clear to me through the course of my recovery work—when making the toughest decisions about recovery investments, do not rely strictly on dollars and cents. While there is no question that the MCLNO-VA partnership will generate multi-million dollar administrative efficiencies for both parties, I cannot emphasize enough what damage would be inflicted on the progress of community recovery and public confidence if the partnership falls through. The joint partnership in downtown New Orleans would be a win for the community and for all citizens, as reflected in the recent letter from the nineteen signatories to Secretary Nicholson. For the past two years, our citizens have been attempting to recover from Hurricanes Katrina and Rita and their impact on human life, business, property, churches, neighborhoods, and overall quality of life. Now, our citizens are focused on rebuilding - not building back what was there before these devastating hurricanes, but building something better that will benefit the community. Because

of the developing partnerships between the two Louisiana medical schools, the coming Cancer Research Center, and a biosciences research corridor, combined with the strong support of the Regional Planning Commission, the Downtown Development District, and the Louisiana Department of Veterans Affairs, it is clear that rebuilding the VA medical center downtown would have the best and most positive impact on community recovery and public confidence in the future of this great city and state.

So let me repeat what Governor Blanco and the Louisiana Legislature have stated by their actions: Louisiana is committed to the building of a new academic medical center in downtown New Orleans and to the MCLNO-VA partnership. As he enters the final weeks of his tenure at the helm of the Department of Veterans Affairs, Secretary Nicholson has a chance to add a bright star to his legacy by clearly recommitting that the new VA medical center will be built in downtown New Orleans in partnership with the new MCLNO.

Now I would like to shift your focus to our short-term future. I want to be clear that the development of those medical centers and the biomedical corridor downtown is *not* what will solve the region's immediate health care woes.

Mr. Chairman, we need your help to address those immediate woes because unfortunately, like other recovery funding, federal health care recovery funding for Louisiana has been slow and insufficient. The \$2 billion delivered by the Deficit Reduction Act in February 2006 relieved states of one of the more pressing challenges they faced in the aftermath of Katrina—providing funding to displaced citizens who were relocated after the storms. The DRA funds and the

related Medicaid demonstration waiver showed a welcome recognition of the fact that the effects of natural disasters are not confined to physical destruction in a given geographic region. The resulting allocation of nearly \$700 million to the Louisiana Medicaid program, combined with the allocation of an additional \$120 million for uncompensated services delivered by private providers, promoted the continuity of health care services to the most vulnerable storm victims in the months following the storm.

Unfortunately, such unique initiatives did little more than pay for temporary services for storm victims, and they have proven to be insufficient to restore consistent health care access in the affected communities. Category IV of the DRA authorized Secretary Leavitt to freely allocate funds for the swift restoration of the health care system in storm-impacted areas, but those funds were delayed in coming, were inequitably distributed and have fallen short of our needs. The first distribution of category IV discretionary funds came in February 2007; of the provider stabilization grants announced in that distribution, Louisiana hospitals received only 44%, despite having sustained much more significant damage and care disruption in the aftermath of Katrina. With the most recent category IV distribution, Louisiana has received only 54% of the total DRA health care recovery appropriation. Recall that Katrina and Rita initially closed thirty hospitals statewide; Louisiana's health care system still has significant, immediate holes, and we need the help of this Congress to patch them.

First and foremost, consistent evidence indicates that the post-Katrina labor shortage is the root cause of the deficient capacity and mounting financial pressure that plague the region's health care system. The paucity of labor resources, from physicians to nurses to medical

technicians, makes it impossible to unravel the kinks that are choking the system. Understaffed nursing homes and home health agencies reduce patient discharge options, creating backups in hospital beds. Hospital beds physically prepared for patients sit open while their owners search for nursing staff. The backup extends into emergency rooms, where people are forced to seek care because of the general shortage of outpatient care caused by the labor shortage.

The labor shortage imposes fiscal strain on recovering providers by forcing them to compete globally for workforce. Providers across the region are bearing increased uncompensated care burdens because the restoration of services at LSU University Hospital has been delayed by insufficient staffing for beds that are prepared for patient care. Without that traditional anchor of the region's safety net system, uninsured patients are left to seek care from other providers.

To be clear Mr. Chairman, I do not believe we can meaningfully improve health care access for patients of any payer source, nor improve the financial stability of recovering providers, without addressing this most essential component of health care supply.

Progress is being made through the recruitment and retention incentives provided by the Greater New Orleans Health Services Corps. The Corps provides:

- Income assistance for primary care physicians, dentists, psychiatrists, registered nurses and licensed professional staff;
- Malpractice premium relief for physicians and dentists; and

- Incentive payments for physicians, dentists, registered nurses and licensed professional staff.

Funded by \$50 million in Category IV DRA funds, the program has thus far placed 125 primary care medical professionals in the New Orleans region, and more applications arrive each week. Unfortunately, the program started a year later than it should have—Louisiana began requesting Category IV funds in Spring 2006—and the available funding will fall well short of meeting the regional labor demand. The state has consistently requested \$120 million for these types of recruitment and retention incentives; we still need your help to address the shortfall.

Just as a short-term infusion of health care professionals is imperative, the sustainability of the state's health care workforce in years to come will depend on the strength of graduate medical education programs. The medical schools and hospitals that continue to assist residency programs in the aftermath of Katrina and Rita need action by this Congress to gain financial relief through an extended exemption from the traditional three-year rolling average. If we let our medical training programs die on the vine because of financial troubles, our health care system will slowly die with them.

Promoting uniform access for returning citizens will also require concentrating on maintaining and expanding community-based primary care capacity. Last week CMS made a critical \$100 million investment of DRA funds that will stand up important primary care services around the New Orleans region. In the recently completed 2007 legislative session, the state appropriated \$41.5 million for construction of new community clinics throughout the state, many of which

will be concentrated in storm-affected areas. In order to ensure the sustainability of such services, the state needs your help in acquiring the flexibility to use DSH payments for non-hospital and physician services to the uninsured. This request will not cost the federal government another dime and will help to permanently make preventive medicine widely available to all patients, an essential step in fundamentally improving the way the state provides health care.

Mr. Chairman, members of the subcommittee, thank you for your time and attention today. I look forward to working with you as we advance the resurrection and rebirth of one of America's treasured regions.



KATHLEEN BABINEAUX BLANCO
GOVERNOR

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July 27, 2007

The Honorable R. James Nicholson
Secretary of Veterans Affairs
United States Department of Veterans Affairs

RE: LSU-VA Joint Hospital Project

Dear Secretary Nicholson:

We write today to offer our strong support for the construction of a new Veterans Affairs Medical Center in downtown New Orleans. This new state of the art facility will ensure that the veterans of our region are provided with the highest quality care in a vibrant academic teaching and research environment.

In the more than 18 months since the MOU was signed, an LSU/VA Collaborative Opportunities Study Group (COSG) and a Collaborative Opportunities Planning Group (COPG) have set up the basic framework for construction and operation of the hospital complex outlined by the MOU. We believe this joint venture will save American taxpayers hundreds of millions of dollars in operational costs while serving as the centerpiece of a vibrant academic teaching center and bioscience research zone.

Since Katrina, nearly 90% of our region's veterans have returned to the greater New Orleans region. With your support, significant progress has been made during the last year in meeting the health needs of our veterans but they must still travel long distances to Alexandria, Mississippi and Houston for much of the care they require. It is time for the State and the VA to move forward as quickly as possible to establish permanent facilities to care for our rapidly expanding veterans population.

As the elected and appointed leadership of Louisiana and members of the New Orleans business community, we strongly believe that clustering our city's critical health care assets in downtown New Orleans will yield the highest quality care, education and research for all of the citizens of our region.

Clustering of health care assets has resulted in joint Tulane-LSU collaborations, such as development of a 60,000 square foot bio-innovation center and an \$86 million dollar Louisiana Cancer Research Consortium (LCRC) facility. The LCRC is expected to develop coordinated cancer research and education programs to optimize discovery and

development of new cancer therapies and innovative clinical treatments for early detection, treatment and prevention of cancer. The VA is a cornerstone of these efforts and veterans will benefit as a result of the synergies created by such a dynamic research and teaching environment. Proximity to both the LSU and Tulane medical schools will maximize the involvement of highly trained faculty specialists providing value-added clinical expertise to an already excellent level of care provided by the VA system.

Likewise Xavier University, which is nationally known for training minority pharmacy students, needs a new hospital to help educate future pharmacists.

The following steps have been taken to accelerate land acquisition, design, and construction of these facilities, including:

- Utilization of state funds to replace \$300 million in federal hurricane relief funds to eliminate any possible delay in obtaining approval for Community Development Block Grant (CDBG) funds. Among those state funds is \$74.5 million being specifically allocated to the purchase of 37 acres of land in downtown New Orleans for the joint LSU/VA facility and design work for the LSU component of the project.
- The City of New Orleans and the State Division of Administration have executed a Cooperate Endeavor Agreement (CEA) to purchase an additional 29 acres of adjacent property for the exclusive use of the VA.
- The State Office of Facility Planning and Control has hired legal teams to identify and expedite resolution of property acquisition, environmental assessment, and relocation matters.
- Architects have been selected to design the new public academic medical center.
- Timelines for land acquisition and design have been established and work is underway. Photographs of the site, preliminary ownership information, and title abstracts have been completed for nearly half of the project site.
- Base evaluations are being determined in establishing the value of property to be acquired.
- A relocation assistance consultant will be hired by the end of August.
- The business plan for the complex takes into account health care delivery models and the future of medical education. The Louisiana Health Care Redesign Collaborative put forth the recommendation for a redesigned system of care centered on the "medical home" model. This model is very similar to the operational structure of the VA system today. We expect the demonstration project to be approved by the first quarter of 2008 with implementation to follow immediately.

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In addition, local and state leaders from seven southeastern Louisiana parishes have unanimously passed a resolution expressing their collective support and their strong wish that the VA remain downtown. The American Legion passed a resolution in early June at its state convention unanimously supporting the re-building of the Veterans Affairs Medical Center in downtown New Orleans. As well, the Louisiana Recovery Authority has called the hospital project and the return of high quality health care to New Orleans "one of the top priorities in Louisiana's recovery" and the Louisiana Legislature has endorsed the business plan for the LSU hospital.

Thank you for your commitment to our country and our veterans. We appreciate your attention to this matter and will make ourselves available at any time for further discussions or to assist in overcoming any remaining obstacles.

Sincerely,



Kathleen Babineaux Blanco
Governor, State of Louisiana



Representative Sydney Mae Durand
Chair, House Committee on Health and Welfare



Senator Donald E. Hines
President, Louisiana Senate



Dr. William L. Jenkins
President, Louisiana State University System



Representative Joe Salter
Speaker, Louisiana House of Representatives



Dr. Scott Cowen
President, Tulane University



Mayor C. Ray Nagin
City of New Orleans



Arnie Fielkow
President, New Orleans City Council



Senator Joe McPherson
Chairman, Senate Committee on Health and Welfare



Rod West, Esq.
Chairman, LSU Board of Supervisors

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Dr. Larry Hollier
Chancellor, LSU Health Sciences Center



Dr. Alan M. Miller
Interim Senior Vice President for Health
Sciences
Tulane University



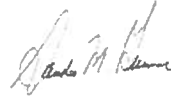
Dr. Norman Francis
President, Xavier University &
Chairman, Louisiana Recovery
Authority



Dr. Michael Butler
Acting Chief Executive Officer, LSU
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William Detweiler, Esq.
Past National Commander of the
American Legion



Sandra M. Gunner
CEO & President,
New Orleans Chamber of Commerce



Hunt Downer
Major General, LA National Guard &
Secretary, Louisiana Department of
Veterans Affairs



Walter R. Brooks
Executive Director, New Orleans
Regional Planning Commission



Dr. Byron Harrell
Chairman, New Orleans Downtown
Development District

cc: The Honorable Bob Filner
Chair, House Committee on Veteran's Affairs
U.S. House of Representatives

The Honorable Steve Buyer
Ranking Member, House Committee on Veteran's Affairs
U.S. House of Representatives

The Honorable R. James Nicholson
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cc: The Honorable Bart Stupak
Chair, Energy & Commerce Subcommittee on Oversight and Investigation
U.S. House of Representatives

The Honorable Edward Whitfield
Ranking Member, Energy & Commerce Subcommittee on Oversight and Investigation
U.S. House of Representatives

Honorable Mary L. Landrieu
United States Senator

Honorable William J. Jefferson
United States Representative

Honorable Jim McCrery
United States Representative

Honorable Rodney M. Alexander
United States Representative

Honorable Richard H. Baker
United States Representative

Honorable Bobby Jindal
United States Representative

Honorable David Vitter
United States Senator

Honorable Charles Boustany
United States Representative

Honorable Charles Melancon
United States Representative

RESOLUTION

REGIONAL PLANNING COMMISSION

Jefferson, Orleans, Plaquemines, St. Bernard and St. Tammany Parishes

Retention of the VA Hospital in Downtown New Orleans

Introduced by Aaron Broussard, seconded by
Thomas Capella on the 13th day of
March, 2007.

Whereas, the Regional Planning Commission functioning in its capacity as the regional planning council and economic development district for Southeast Louisiana supports the retention of the Veterans Affairs (VA) Hospital in downtown New Orleans; and,

Whereas, the creation of a knowledge-based economy is of paramount importance to the redevelopment of the New Orleans metropolitan region; and,

Whereas, the investment of the Veterans Affairs Hospital in downtown New Orleans is key to enhancing the research and clinical capacities of both downtown New Orleans and the region; and

Whereas the location of the VA Hospital must consider the economic benefits associated with locating adjacent to existing research hospitals and institutions of higher learning; and

Whereas, the investment of the VA Hospital is independent of the current health care delivery debate.

NOW, THEREFORE, BE IT RESOLVED THAT:

The Regional Planning Commission for Jefferson, Orleans, Plaquemines, St. Bernard and St. Tammany Parishes encourages all parties to work collaboratively to develop a state-of-the-art VA Hospital within the New Orleans Downtown Medical District.

Whereupon, after discussion, the question was called and resulted in the following:

AYES: 21 NAYS: 0 ABSTENTIONS: 0

Henry J. Rodriguez
HENRY J. RODRIGUEZ
CHAIRMAN

Billy Nungesser
BILLY NUNGESSER
SECRETARY

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March 28, 2007

Louisiana Delegation to the U.S. Congress
The Honorable William Jefferson
U.S. House of Representatives
2113 Rayburn House Office Building
Washington, DC 20515

Re: Veterans Administration Hospital, New Orleans

Dear Congressman Jefferson:

I am writing on behalf of the Downtown Development District of New Orleans Board of Commissioners to express our concern and request your help regarding the status of the rebuilding of the Veterans Administration Hospital and a state of the art LSU hospital in downtown New Orleans. As you well know, downtown New Orleans is the heart of the city as well as the economic engine. A critical part of that economic engine is the medical district which prior to Hurricane Katrina included the Tulane and LSU Medical Schools, Veterans Administration Hospital, University Hospital, and Charity Hospital and Tulane Hospital. Since the hurricane, the reopening and rebuilding of the Medical Center has been lethargic to say the least. Now we understand that the prospect of having the VA Hospital rebuilt in downtown New Orleans is threatened, which could be a devastating blow to downtown New Orleans and the entire metropolitan area, and could threaten the location of the LSU hospital downtown as well.

I have attached for your review a resolution adopted by the DDD Board of Commissioners stating the DDD's support for building new VA and LSU facilities in the downtown Medical District, in order to provide the most advanced health care available to the citizens of New Orleans and to anchor the budding bioscience initiative currently underway.

We write to ask for your guidance and assistance in moving this project forward. The Downtown Development District is ready, willing, and able to provide any assistance to the Veterans Administration that may be necessary. We solicit your input as to how we could best help. We also ask that you consider making contact with the appropriate persons at the Veterans Administration to help get the project back on track.

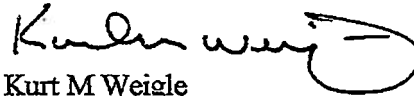


If the DDD can provide you any additional information, please do not hesitate to contact us.

I thank you in advance for your assistance with this very critical project.

With kind regards,

Sincerely,

A handwritten signature in black ink, appearing to read "Kurt M. Weigle", with a large, stylized circular flourish at the end.

Kurt M Weigle
Executive Director
Downtown Development District of
New Orleans

Encl.

cc: Judy Barrasso, DDD Chair
DDD Board of Commissioners
Mayor C. Ray Nagin
New Orleans City Council
Louisiana State Legislature -
Orleans Delegation

201 St. Charles Ave.
Suite 3912
New Orleans
Louisiana
70170-3912
504-561-8927
504-581-1765 (fax)

Downtown Development District of New Orleans
Resolution to Support Construction of State-of-the-Art LSU Teaching Hospital and
Veterans Administration Hospital
21 March 2007

Whereas, the creation of a knowledge-based economy is vitally important to the redevelopment of New Orleans; and

Whereas, the medical and bioscience industries hold special promise for developing a knowledge-based economy in New Orleans; and

Whereas, a concentration of higher education research and education is necessary to support a medical and bioscience industry; and

Whereas, in particular, the proximity of and cooperation between LSU, Tulane, Xavier and other institutions in the downtown medical district are crucial to New Orleans' success developing its medical and bioscience industries; and

Whereas, access to high quality health care is critical to the retention, expansion and attraction of businesses and a highly qualified workforce to New Orleans; and

Whereas, the training of physicians and other health care professionals who will practice in New Orleans after training is necessary to rebuild a quality health care system for New Orleans; and

Whereas, the LSU Health Science Center and the teaching hospitals associated with it produce a disproportionate number of health care professionals for New Orleans; and

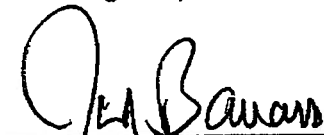
Whereas, the LSU Health Science Center needs, on behalf of the citizens of New Orleans, a state-of-the-art teaching hospital to continue to train physicians and other health care professionals; and

Whereas, investment in a state-of-the-art public teaching hospital is independent of and should be considered separately from current Healthcare Redesign discussions;

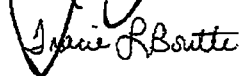


Downtown Development District of New Orleans
Resolution to Support Construction of State-of-the-Art LSU Teaching Hospital and
Veterans Administration Hospital
21 March 2007

Now, therefore, the Downtown Development District of New Orleans endorses the creation of, and sufficient capital funding for the construction of, a state-of-the-art LSU hospital in the New Orleans downtown medical district, and, additionally, in the interest of using public funds efficiently while providing for all the health care needs of New Orleans, supports the construction of a new Veterans Administration hospital in collaboration with and adjacent to the LSU teaching hospital.



Judy Barrasso, Chair, Board of Commissioners



Tracie Boutte, Secretary/Treasurer, Board of Commissioners

Date: 3/28/07

Date: 3/28/07

THE AMERICAN LEGION
Louisiana Department Headquarters
89th ANNUAL LOUISIANA DEPARTMENT CONVENTION
ALEXANDRIA, LOUISIANA
JUNE 8, 9, 10 2007

Page 1 of 2

RESOLUTION IN SUPPORT OF THE BUILDING OF THE
NEW ORLEANS VA MEDICAL CENTER IN DOWNTOWN NEW ORLEANS

WHEREAS the U S Department of Veterans Affairs Medical Center at New Orleans, Louisiana, herein after referred to as "VAMC", has been located in the downtown area of the City of New Orleans at 1601 Perdido Street since its establishment; and,

WHEREAS the VAMC has served as a teaching hospital with the Medical Schools of Tulane University, herein after referred to as "Tulane", and Louisiana State University, herein after referred to as "LSU", since its establishment; and,

WHEREAS, as a result of the location of the VAMC in the downtown area of the City of New Orleans in close proximity and walking distance with the Tulane Hospital and Medical School and the LSU Medical School and Center, the veterans of the Greater New Orleans Area and Southeast Louisiana have been the beneficiaries of the close working and teaching relationship between the VAMC and the said Tulane Hospital and Medical School and the LSU Medical School and Center; and,

WHEREAS, the VAMC and the LSU Medical School and Center that operated out of the Louisiana Medical Center at New Orleans, commonly known as "Big Charity", were severely damaged in Hurricane Katrina and Rita in the late summer and fall of 2005; and,

WHEREAS, the VAMC and the Louisiana Medical Center at New Orleans have been deemed to be damaged to the extent that neither is fit to be reopened as a hospital, requiring that new facilities be built through appropriations from the United States and the State of Louisiana; and,

WHEREAS, the United States Congress has appropriated and authorized an expenditure for the building of a new VAMC facility in union with a separate facility for the replacement of the Medical Center of Louisiana at New Orleans, all in proximity to the Tulane Hospital and Medical Center, which new VAMC. facility would restore the medical treatment benefits that were available to the veterans of the Greater New Orleans Area and Southeast Louisiana and restore the ability of all three facilities to continue their joint medical research and teaching, which further benefits the veterans of the area; and,

WHEREAS, despite the continued promises by the Secretary of the Department of Veterans Affairs and his Staff, as well as promises by Members of Congress and Governor Kathleen B. Blanco and Members of her Administration to the veterans community and the people of Southeast Louisiana, rumors continue to persist that despite these promises the real intent and desire of the U S Department of Veterans, some Members of Congress and the Blanco Administration, is to move the VAMC out of the downtown area of the City of New Orleans, which will threaten or terminate its relationship with Tulane and LSU causing a shortage of health care professionals working in the VAMC., all to the detriment of the veterans community;

American Legion do urge the Secretary of the Department of Veterans Affairs and the Governor of the State of Louisiana to proceed without further delay to take the necessary steps to build the joint VAMC facility and Medical Center of Louisiana at New Orleans in the downtown area of New Orleans in close proximity to the Tulane Medical Center and the Louisiana State University Medical Center. That such will restore the proper health care and benefits that the veterans of the Greater New Orleans Area and Southeast Louisiana are entitled to and enjoyed before the impact of Hurricanes Katrina and Rita.

BE IT FURTHER RESOLVED that copies of this resolution be sent to the Secretary of the U S Department of Veterans Affairs, the Governor of Louisiana, Members of the Louisiana Congressional Delegation, the Joint Congressional Committee on Veterans Affairs, the Department of Veterans Affairs for the State of Louisiana, the Chancellors of the Tulane Medical School and the LSU Medical School, and the news media outlets in the State of Louisiana.

FORREST A. TRAVIRCA, III
Commander

ATTEST:

DAVID SIMON, Adjutant

FOR CONVENTION USE ONLY

APPROVED _____

REFERRED TO CONVENTION COMMITTEE ON: RESOLUTIONS

PASSED UNANIMOUSLY: June 10, 2007.



MITCHELL J. LANDRIEU
LIEUTENANT GOVERNOR

State of Louisiana
OFFICE OF THE LIEUTENANT GOVERNOR

POST OFFICE Box 44243
BATON ROUGE, 70804-4243

July 25, 2007

The Honorable Bart Stupak, Chairman
Subcommittee on Oversight and Investigation
House Committee on Energy and Commerce
2125 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Stupak:

As the city of New Orleans persists on its long, difficult road to recovery, all levels of government-federal, state and local-must continue to fulfill its obligation to the people of this great city. I ask that we NEVER forget them as we progress in this rebuilding process.

Hurricane Katrina devastated so much of the city's infrastructure: so much that almost two years later, we are still without many necessary services that are vital to our most needy citizens.

Education and health care are the bedrocks of our civil infrastructure. They are what set our country apart from the rest of its peers. If New Orleans were used as a test case example to compare our country's education and health care systems to those of other industrialized nations, we would rank at the bottom.

The proposed LSU-VA Hospital in downtown New Orleans will provide:

- * Essential Health Care Services, including emerging disease management programs and emergency care provided in the region's only Level 1 Trauma Center;
- * Health Professions Education, vital to addressing the workforce shortages that are proving to be a leading barrier to the recovery of health care systems throughout Louisiana; and finally
- * Biomedical Health Sciences Research and Development, an emerging research alliance and economic sector in the region driven by a partnership of LSU, Tulane and Xavier.

New Orleans needs investment in both of these critical areas, and this is why I am asking you to support the construction of a first-class academic medical center to foster a foundation for these critical services.

If my office can assist you in any way, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "mitch", written in a cursive, stylized script.

Mitchell J. Landrieu

MJL/mjk

C: The Honorable Charlie Melacon



MITCHELL J. LANDRIEU
LIEUTENANT GOVERNOR

State of Louisiana
OFFICE OF THE LIEUTENANT GOVERNOR

POST OFFICE BOX 44243
BATON ROUGE, 70804-4243

July 25, 2007

The Honorable Ed Whitfield, Ranking Member
Subcommittee on Oversight and Investigation
House Committee on Energy and Commerce
2125 Rayburn House Office Building
Washington, DC 20515

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C: The Honorable Charlie Melacon